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DRAFT: 9 August 1957
BML/odb

PRC Action No. DD/P - 8 -

SUBJECT: Consolidation of PP Project Allotments into Single Country Allotment Accounts and Financial Amendments to PP Projects.

1. PURPOSE

a. To provide concurrence in consolidating individual Psychological and Political project allotments into single country allotments, initially in the WH Division and later in the other DD/P Area Divisions; and

b. To authorize the Deputy Director (Plans), to approve financial amendments to approved projects up to $100,000, and to delegate such authority to Chiefs of Overseas Clandestine Stations.

2. BACKGROUND

a. It is the current practice to establish a separate allotment account for each Psychological and Political project and Developmental and Target of Opportunity project. To use the WH Division as an example, this will require approximately 85 separate allotment accounts for PP and D&TO projects in Fiscal Year 1958. Similarly, in making quarterly allotments to field stations in the WH Division, separate allotments are made for each
25X1A PP project and D&TO account. In [redacted] alone, this will require 11 separate allotment notices each quarter.

b. The allotments are made on a quarterly basis. This places a strict limitation on the amount that may be obligated within the quarter for each PP and D&TO project. It does not give the Chief of Station or Base any leeway in managing his funds to meet day-to-day changing conditions.

c. The Deputy Director (Plans) is now permitted to grant authority to Chiefs of Overseas Clandestine Stations to make small financial amendments to FI projects (Memorandum from DD/P to DCI dated 14 April 1955, approved 30 April 1955 by DCI). These amendments are necessary from time to time to

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accommodate changes that occur, such as a small salary raise for an agent, increased rent for a safehouse, etc. Similar conditions arise in the operation of PP projects, upon occasion, to fulfill the project objectives and meet the purpose(s) for which the project was authorized.

3. DISCUSSION

a. It is planned to adopt the consolidated allotment account procedure in the WH Division in FY 1958 on a trial basis if appropriate authority is granted. Funds would be allotted on a country basis, except that separate allotments would continue to be made for all proprietary projects, operational projects, large subsidy projects requiring administrative plans, and projects in excess of $100,000. Allotments would in no case be made in excess of the total approved project funding nor available allocated funds.

b. If the FY 1958 experience in the WH Division proves satisfactory, the procedure can be continued in subsequent fiscal years, and extended to the other area divisions.

c. Within the framework of the present budget and accounting ~~records~~ procedures, expenditure and obligation records will continue to be maintained for each PP and D&TO project by the WH Division. The Finance Division will record in the official Agency accounts the expenditures and obligations for each allotment account (i.e., country allotments and individual proprietory, large subsidy and projects over $100,000). The individual projects covered by country allotments will become cost accounts and will reflect applicable costs in the official Agency cost accounts.

4. PROPOSAL

a. It is proposed that the consolidation of PP and D&TO allotment accounts into single country allotment accounts be approved subject to the following:

(1) Separate allotment accounts shall be established for all

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proprietary, large subsidy, and projects in excess of $100,000.

b. The Deputy Director (Plans) be authorized to approve financial amendments to PP & D&TO projects, with authority to redelegate this authority to Chiefs of Overseas Clandestine Stations, subject to the following limitations:

(1) The scope and purpose of the original project shall not be exceeded, except by an approved amendment processed in the same manner as the original project;

(2) The total of financial amendments approved by the DD/P or the field on any one PP or D&TO project during any fiscal year may not exceed $10,000 or 15 percent of the approved project amount for the fiscal year, whichever is smaller; and

(3) The total amendments approved may not raise the total of the project to exceed $100,000 in any fiscal year.

5. RECOMMENDATION

It is recommended that the Director of Central Intelligence approve the proposal as stated in paragraph 4.

CONCUR

Deputy Director (Plans)	Inspector General
Deputy Director (Intelligence)	Chairman, PRC
Deputy Director (Support)	Deputy Director, Central Intelligence

SUPPLEMENTAL CONCURRENCE

Comptroller	APPROVED
	Director of Central Intelligence

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